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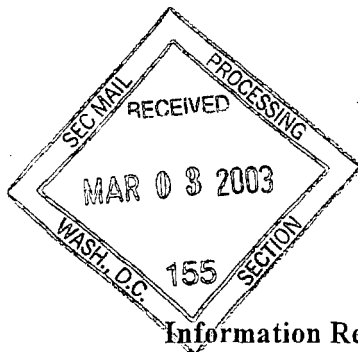
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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8-53227



FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/02 AND ENDING 12/31/02  
MM/DD/YY MM/DD/YY

**A. REGISTRANT IDENTIFICATION**

NAME OF BROKER-DEALER: EXCALIBUR ADVISORS, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

1445 EAST PUTNAM AVENUE

(No. and Street)

OLD GREENWICH

(City)

CT

(State)

06870

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

**B. ACCOUNTANT IDENTIFICATION**

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

HOUSMAN & BLOCH LLP

(Name - if individual, state last, first, middle name)

45 KNOWLEDGE RD ELMSTAD

(Address)

(City)

NY

(State)

10523

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

**PROCESSED**

**MAR 21 2003**

**THOMSON  
FINANCIAL**

**FOR OFFICIAL USE ONLY**

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

OATH OR AFFIRMATION

I, RONALD M BLOCH CPA, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of EXCALIBUR ADVISORS, LLC, as of DECEMBER 31, 20 02 are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

NONE

Ronald Bloch  
Signature  
MEMBER  
Title

[Signature]  
Notary Public

**SANDRA DeJESUS**  
Notary Public, State of New York  
No. 01DE6031022  
Qualified in Westchester County  
Commission Expires September 27, 2005

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

EXCALIBUR ADVISORS, LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2002

EXCALIBUR ADVISORS, LLC  
A DEVELOPMENT STAGE ENTERPRISE (Note 1)

INDEX TO THE FINANCIAL STATEMENTS

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Statement of Cash Flows for the year ended December 31, 2002	5
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**HOUSMAN & BLOCH, LLP**  
*Certified Public Accountants*

45 KNOLLWOOD ROAD  
ELMSFORD, NEW YORK 10523  
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60 EAST 42nd STREET, 46th FLOOR  
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Excalibur Advisors, LLC  
1445 East Putnam Avenue  
Old Greenwich, CT 06870

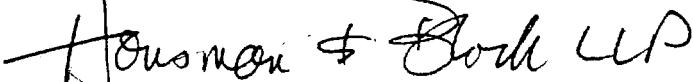
Independent Auditors' Report

We have audited the accompanying balance sheet of Excalibur Advisors, LLC, at December 31, 2002 and the related statements of operations, member capital and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Excalibur Advisors, LLC as of December 31, 2002 and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



New York, New York  
January 31, 2003

EXCALIBUR ADVISORS, LLC  
BALANCE SHEET  
DECEMBER 31, 2002

ASSETS

CURRENT ASSETS

Cash	\$ 249,157
Accounts receivable	268,750
Prepaid expenses	<u>19,743</u>
<u>Total Current Assets</u>	<u>537,650</u>

<u>FIXED ASSETS</u> - Net of accumulated depreciation of \$ 16,436 (Note 1)	<u>72,272</u>
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OTHER ASSETS

Organization expenses - Net of accumulated amortization of \$ 91,418 (Note 1)	176,778
Security deposits	<u>16,056</u>
<u>Total Other Assets</u>	<u>192,834</u>
<u>TOTAL ASSETS</u>	<u>\$ 802,756</u>

LIABILITIES AND MEMBERS' EQUITY

CURRENT LIABILITIES

Accrued expenses payable	\$ 53,191
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COMMITMENTS AND CONTINGENCIES (NOTE 1)

<u>MEMBERS' EQUITY</u>	<u>749,565</u>
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<u>TOTAL LIABILITIES AND MEMBERS' EQUITY</u>	<u>\$ 802,756</u>
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The accompanying notes are an integral part of these financial statements.

EXCALIBUR ADVISORS, LLC  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2002

<u>FEE INCOME</u>	<u>\$ 1,075,000</u>
<u>OPERATING EXPENSES</u>	
Office payroll	240,000
Guaranteed payments	455,842
Payroll taxes and expenses	61,260
Rent	64,211
Telephone	15,954
Office expenses	22,139
Insurance	32,830
Professional fees	181,718
Computer	32,022
Leasing expenses	11,566
Employment agency	18,550
Selling and promotion	121,266
Travel & entertainment	58,380
Automobile	20,443
Donations	1,800
Sundry	14,194
Depreciation and amortization	<u>81,885</u>
<u>Total Operating Expenses</u>	<u>1,434,060</u>
<u>(Loss) from Operations</u>	( 359,060)
<u>Other Income and (Expenses)</u>	
Interest income	8,228
Short term capital losses	( 35,146)
Unrealized capital losses	<u>( 17,551)</u>
<u>NET (LOSS)</u>	<u>\$ ( 403,529)</u>

The accompanying notes are an integral part of these financial statements.

EXCALIBUR ADVISORS, LLC  
STATEMENT OF CHANGES IN MEMBERS' EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2002

MEMBERS' EQUITY

Members' equity - January 1, 2002	\$ 1,235,493
Net (Loss) for the year ended December 31, 2002	( 403,529)
Member distributions	<u>( 82,399)</u>
<u>MEMBERS' EQUITY - DECEMBER 31, 2002</u>	<u>\$ 749,565</u>



EXCALIBUR ADVISORS LLC  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Net (Loss)	\$( 403,529)
Adjustments: Depreciation	<u>81,885</u>
Accounts receivable	-
Prepaid expenses	( 3,157)
Accrued expenses payable	<u>48,446</u>
<u>Total Cash Flows From Operating Activities</u>	<u>( 276,355)</u>

CASH FLOW FROM INVESTING ACTIVITIES:

Organization expenses	( 35,000)
Purchases of fixed assets	<u>( 40,676)</u>
<u>Total Cash Flows from Investing Activities</u>	<u>( 75,676)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds from the sale of securities	238,511
Member distributions	<u>( 82,397)</u>
<u>Total Cash Flows from Investing Activities</u>	<u>156,114</u>
<u>(DECREASE) IN CASH FLOWS</u>	<u>( 195,917)</u>
CASH AT JANUARY 1, 2002	<u>445,074</u>
<u>CASH AT DECEMBER 31, 2002</u>	<u>\$ 249,157</u>

The accompanying notes are an integral part of these financial statements.

EXCALIBUR ADVISORS, LLC  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) Business Activity:

Excalibur Advisors, LLC ("the Company") was formed on January 25, 1999 as a limited liability company under the laws of the State of Connecticut.

The company provides consulting and advisory services to a select group of alternative asset management firms seeking to establish a presence in the institutional marketplace. The company contracts with such firms to market individual managed accounts and fund products to its network of qualified clients, both domestically and internationally, on an out sourced basis as an independent contractor.

The company filed an application for registration as a broker-dealer under Section 15(b) of the Securities Exchange Act of 1933, as amended, and is a registered broker dealer in the National Association of Securities Dealers, Inc. ("NASD")

B) Fixed Assets:

The company records fixed assets at cost. Depreciation is recorded using various methods over the estimated useful life of the asset. Leasehold improvements, if any, are amortized on a straight line basis over the shorter of the estimated useful life of the asset or the term of the lease. Disposition of fixed assets are reported in the year of sale along with any corresponding gain or (loss) on disposition. Expenditures for repairs and maintenance are expensed as incurred.

As of December 31, 2002 fixed assets comprised the following:

Furniture and Fixtures	\$ 9,597
Office equipment	39,365
Leasehold improvements	<u>39,749</u>
Fixed Assets at Cost	88,711
Less: Accumulated Depreciation	<u>( 16,436)</u>
<u>Net Fixed Assets</u>	<u>\$ 72,275</u>

C) Income Taxes:

The company was formed as a limited liability company. Company income is taxed directly to the members' Accordingly, a provision for taxes has not been made.

EXCALIBUR ADVISORS, LLC  
NOTES TO THE FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 2002

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D) Commitment and Contingencies:

The company leases office space at 1445 East Putnam Avenue, Old Greenwich, CT 06870. The company entered into the lease on November 15, 2001. The lease terminates on March 31, 2005. The minimum required lease payments for the future term of the lease are as follows:

<u>Year</u>	<u>Amount</u>
2003	\$ 65,729
2004	67,736
2005	<u>17,060</u>
<u>Total Minimum Lease Payments</u>	<u>\$ 150,525</u>

E) Cash and cash Equivalents:

The company considers securities with maturities of three months or less, when purchased, to be cash equivalents. The company maintains cash and cash equivalents in accounts protected by insurance. At December 31, 2002 the company did not maintain any cash accounts that were not covered by insurance.

F) Contingencies:

Contingencies include the usual obligations of a broker dealer. At December 31, 2002 there were no unusual contingencies.

G) Concentration of Risk:

Substantially all of the company's business activity is located within the New York City metropolitan area.

H) Customer Accounts:

The company did not maintain any customer accounts in 2002.

I) Organization Expenses:

The company has capitalized all organization expenses. These expenses are being amortized over a 60 period.

Supplementary Financial Information

EXCALIBUR ADVISORS, LLC  
SUPPLEMENTARY FINACIAL INFORMATION  
COMPUTATION OF NET CAPITAL  
DECEMBER 31, 2002

Assets

Cash and cash equivalents	\$ 249,157
Accrued expenses payable	<u>53,191</u>
<u>Net Capital</u>	<u>\$ 195,966</u>